

 **TRAKCJA**

**RAILWAY** | **ROADS** | **CIVIL**

**1-3Q 2021 results | TRAKCJA GROUP**



# GENERAL INFORMATION

70 YEARS

of experience in  
innovativeness



## WHO WE ARE:

Trakcja Group comprises of entities specialized in key sectors of **infrastructure and general construction** in Poland.

We operate in the Baltic Sea area, mainly in **Poland and Lithuania**, but also in Latvia, Germany and Sweden, as well as Belarus and Ukraine.

We deliver contracts in scope of construction of **railway, tram and trolleybus lines**. We specialize in the construction of **roads, bridges, engineering and cubature facilities**, as well as in the field of **environmental engineering**.

We are also active in the energy industry as a contractor of cable and overhead power lines and a producer of equipment for the railway and trams power supply systems. We also provide design services.

Trakcja Group acts as a general contractor in the area of railway and road construction



## RAILWAY CONSTRUCTION



### TRACK WORKS

complex construction and modernization of railway lines: earthworks, drainage works, track bed and surface works, both in traditional and ballastless technology



### OVERHEAD LINE WORKS

installation of foundations, poles, installation of the overhead line, disconnectors, renovation and repairs of the existing overhead line, installation of the overhead line of a special design, e.g. in tunnels



### SPECIALISTIC SERVICES

- own railway vehicle service center
- our services include P3 level inspections of wagons, locomotives, track machines and special vehicles



## ROAD CONSTRUCTION



- construction of express roads, highways and local roads: laying road pavement, construction of engineering facilities, drainage, lighting, sewage systems and infrastructure for pedestrians and cyclists
- production of bituminous masses for own contracts and external customers needs



## ENGINEERING FACILITIES



### BRIDGES, OVERPASSES, TUNNELS

construction of engineering facilities such as overpasses, railway and road bridges, culverts, tunnels, overground and underground pedestrian crossings

Trakcja Group acts as a general contractor in the area of railway and road construction



## ENERGY CONSTRUCTION



- construction of traction substations for the purposes of supplying railway, tram and trolleybus lines, also as sectional cabins
- installation of lighting, fire protection, lightning protection, railway traffic control and passenger infrastructure, as well as other safety systems for large-volume facilities
- construction of renewable energy sources (RES) installations and energy storage



## CUBATURE CONSTRUCTION



- construction of buildings of public utility and objects related to the operation of rail vehicles, e.g. train washes and service halls connected with administrative areas
- real estate activity - incl. detached houses, apartment blocks and housing estates



## OTHER ACTIVITIES



### INDUSTRIAL PRODUCTION

production of medium and low voltage switchgears in the field of direct and alternating current  
production of supporting structures for the railway overhead line



### ENVIRONMENTAL ENGINEERING

construction of modern water supply networks and collectors, sanitary sewage system, sewage treatment plants and pumping stations as well as reinforced concrete tanks, facilities related to waste management and environmental protection; construction of water supply connections



### DESIGN SERVICES

program/spatial concepts, feasibility studies, construction designs, detailed designs, cost estimates and other types of tender and construction documentation



**8** COMPANIES

full offer in terms of  
infrastructure construction

## COMPANIES COMPETENCIES



railways



trams



roads



photovoltaics



production



environmental  
engineering



energy



construction



bridges



rental of personnel



design

### Trakcja

Railway, road, engineering,  
energy, construction, design

AB Kauno Tiltai (98,09%)

Construction of roads, bridges, railway, energy construction

..... Filie

BTW sp. z o.o. (100%)

Tracks, welding works, equipment services

PEUIM sp. z o.o. (99,7%)

Construction of roads and bridges

TORPROJEKT sp. z o.o. (82,35 %)

Design activity

PRK 7 Nieruchomości sp. z o.o. (100%)

Real-estate development activity

Dalba sp. z o.o. (100%)

Environmental engineering

PDM S.A. (94,62%)

Rental of personnel and equipment

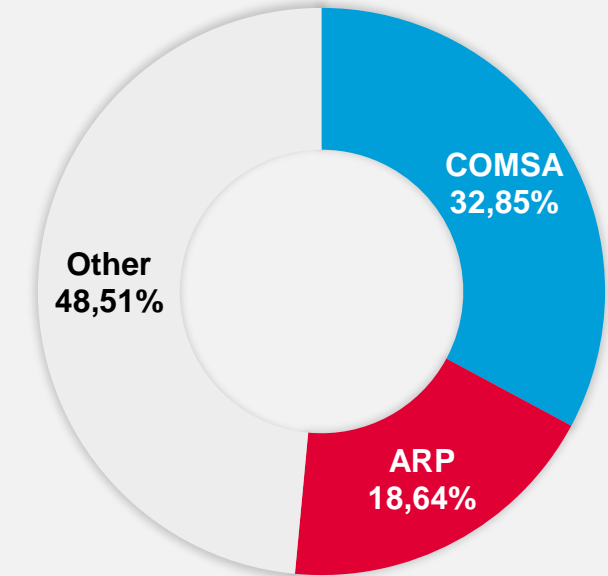
..... Trakcja Ukraina (100%)

Road construction

# Shareholders structure of TRAKCJA S.A.

## Shareholders with over 5% of share capital

Shareholder	Number of shares
COMSA S.A.	28 399 145
Agencja Rozwoju Przemysłu*	16 117 647
Other shareholders	41 934 184
<b>Total</b>	<b>86 450 976</b>



\* Under an agreement concluded between Agencja Rozwoju Przemysłu (ARP) and PKP Polskie Linie Kolejowe S.A. (PKP PLK), ARP, in a way agreed with PKP PLK, executes voting right from the shares held in the share capital of Trakcja S.A. (in accordance with the information released by Trakcja S.A. in the Current Report 12/21 from May 24, 2021).

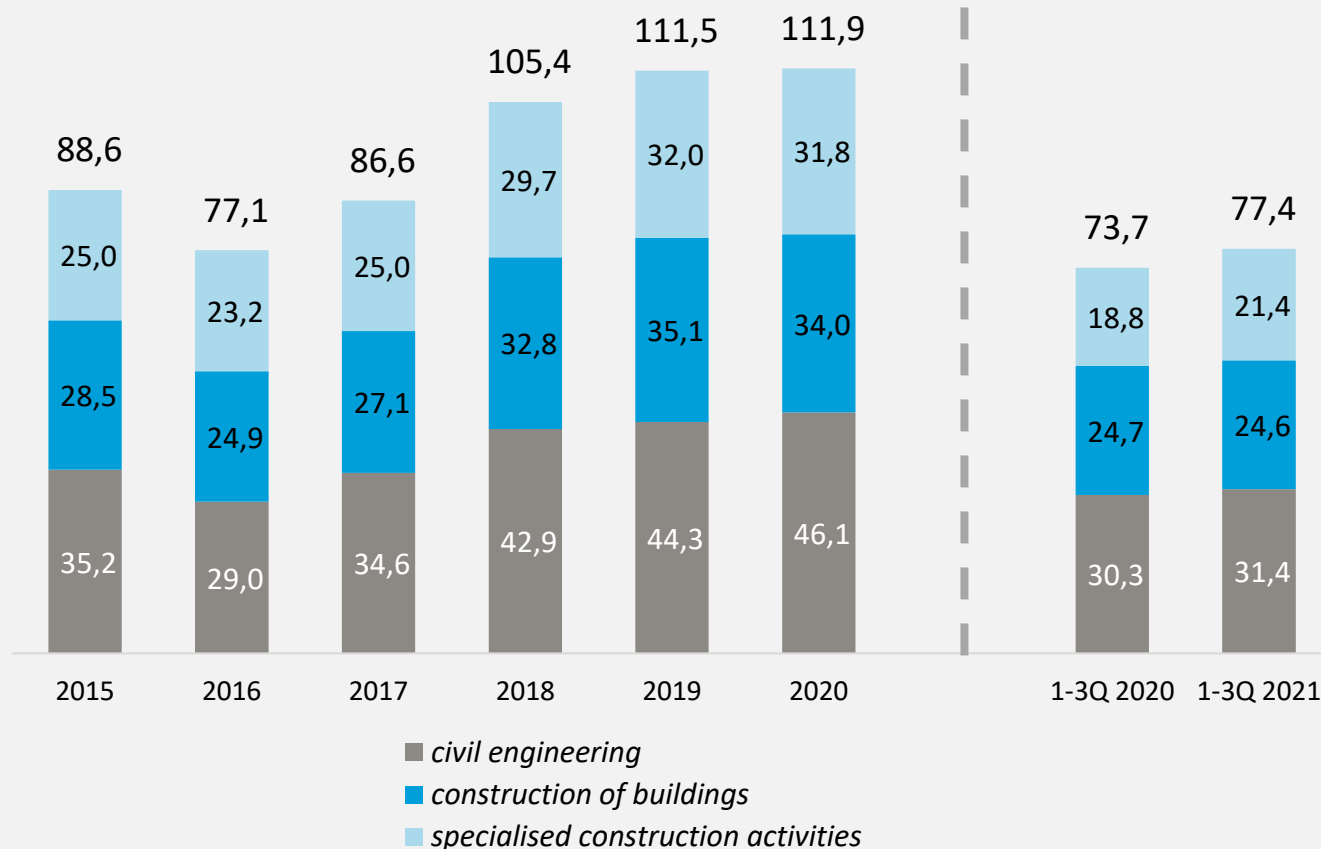


# MARKET INFORMATION



**Sales value of construction and assembly production by PKD divisions (current prices)**

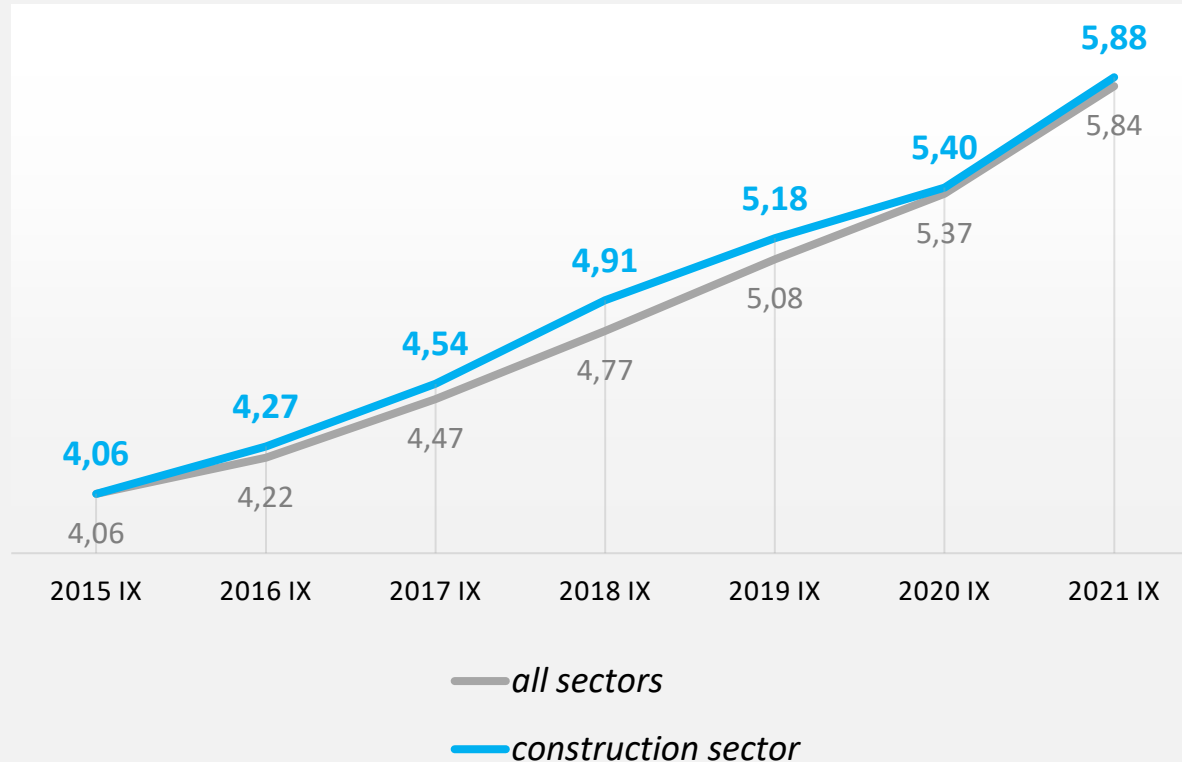
*bn PLN*



*The domestic market of construction and assembly production in the period from January to September 2021 was 4,9% higher than in the corresponding period of 2020.*

# WAGES IN CONSTRUCTION SECTOR

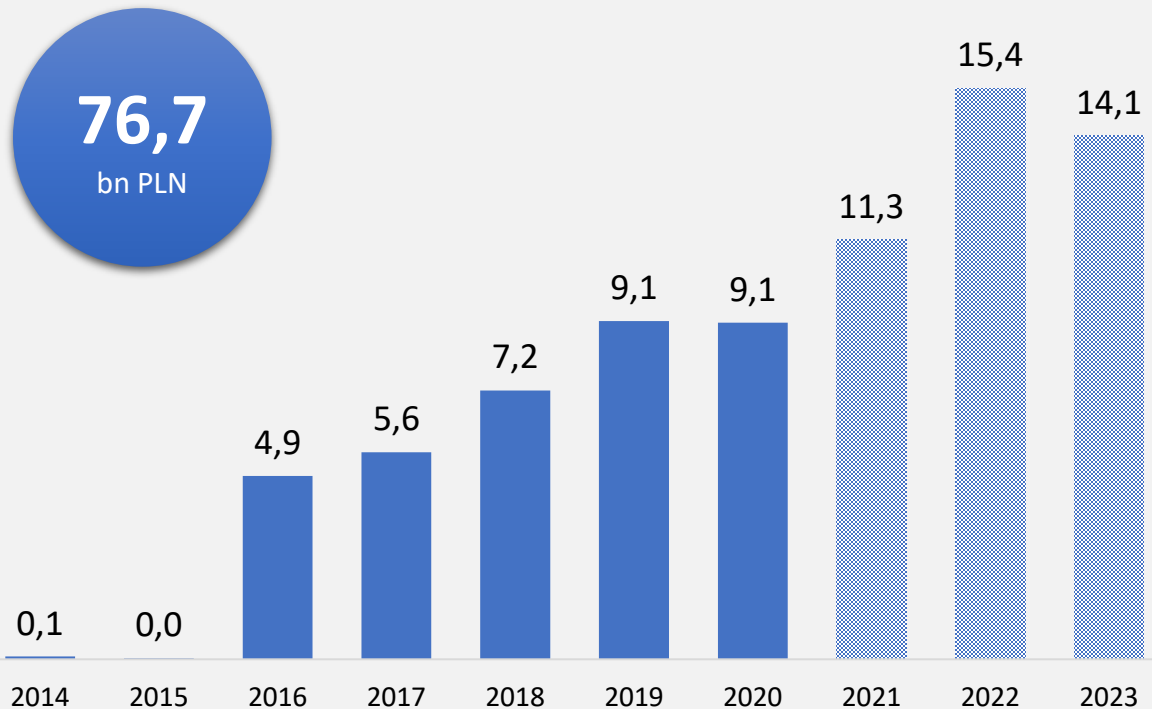
## Average monthly gross wages and salaries kPLN



*Wages and salaries in the construction industry have been systematically growing YoY in recent years.*

*In mid-2020, the trend was temporarily suspended due to the outbreak of the Covid-19 pandemic. In 2021, the increase in the average monthly gross salary returned to the growth path resulting from the pre-pandemic trend.*

## Actual and planned expenditures for the National Railway Programme (bn PLN)



source: report on the implementation of the NRP for 2020, July 20, 2021.

*The National Railway Program until 2023 (KPK) is a long-term government program implementing national development strategies for the construction and modernization of railway infrastructure. According to the last update from July 2021, the planned **expenditure for the years 2021-2023** will amount to 40,7 bnPLN.*

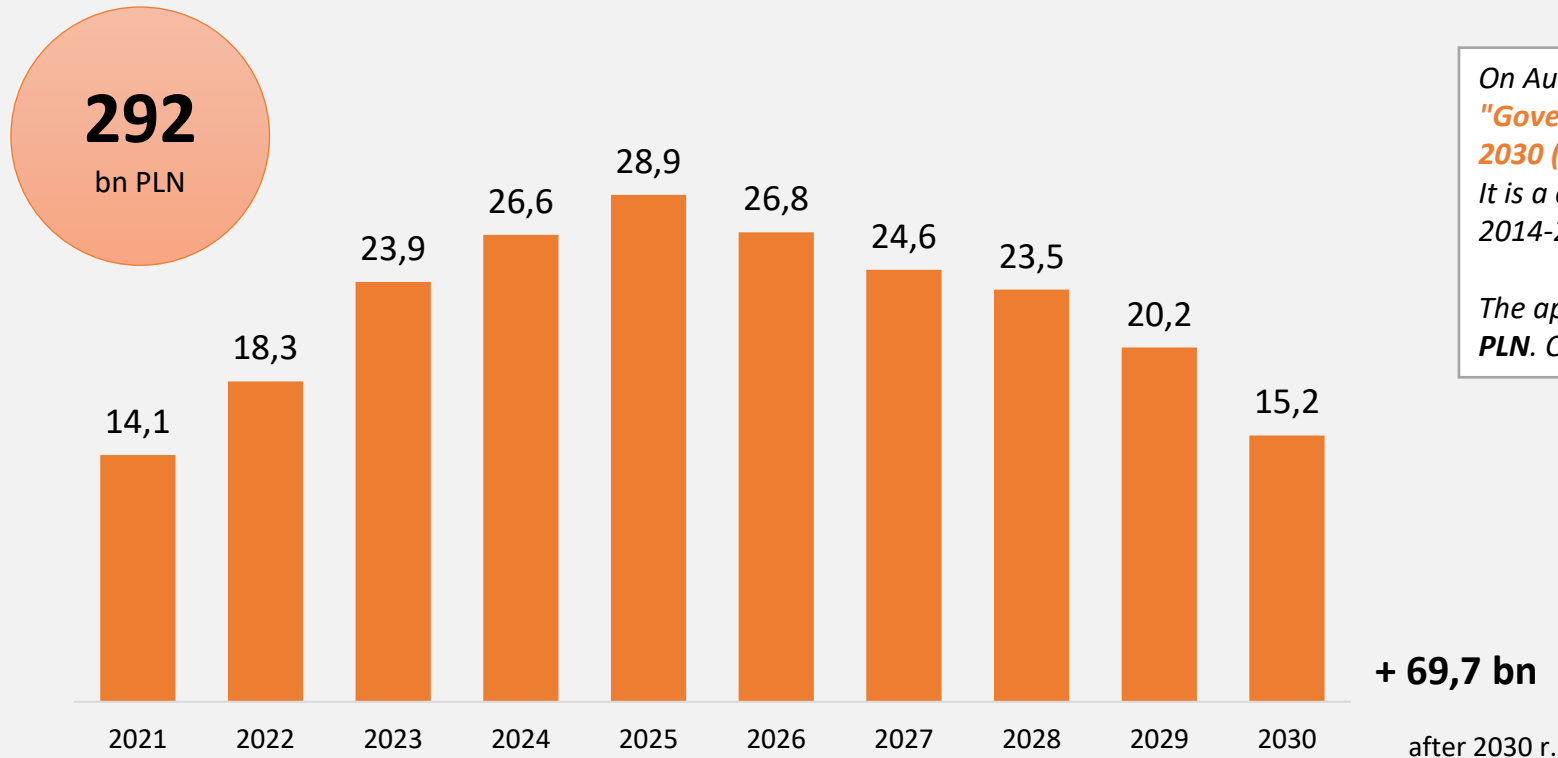
### Other Railway Development Programs:

1. Aid in financing the costs of managing railway infrastructure, including maintenance and repairs until 2023 - **23.8 bnPLN**
2. Railway Stations Investments Program for 2016 - 2023 - **1.6 bnPLN**
3. Program for Supplementing the Local and Regional Railway Infrastructure ,Railway +' until 2028 - **6.6 bnPLN**
4. The government program for the construction or modernization of railway stops for the years 2021–2025 - **1 bnPLN**

*The railway component within the CPK project – it assumes the **construction of 1,800 km of new lines by 2034**. As part of the project, 12 new railway routes will be built, including 10 so-called „spokes" leading to the new ,Solidarity Airport' and Warsaw. The first construction works are to start in 2023.*

source: gov.pl, CPK.pl

## Planned expenditures for national roads in the period 2021-2030 and after 2030 (bn PLN)



On August 9, 2021, the government announced the project of the **"Government Program for the Construction of National Roads until 2030 (with a perspective until 2033)"**.

It is a continuation of the National Road Construction Program for 2014-2023 (with a perspective until 2025) from September 8, 2015.

The approximate total value of the program amounts to **292 billion PLN**. Currently the project is under public consultations.



# FINANCIAL DATA

# SUMMARY OF

# 1-3Q 2021

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Contracts signed in 1-3Q 2021

**1 095**

mIn PLN

Order backlog as of  
30.09.2021

**2 673**

mIn PLN

Consolidated sales revenues

**968**

mIn PLN

Consolidated gross  
profit (loss) on sales

**29**

mIn PLN

Consolidated EBITDA

**13**

mIn PLN

Consolidated net  
profit (loss)

**-30**

mIn PLN

## Consolidated Profit & Loss for the 9 months of 2021 (mPLN)

	01.01.2021 - 30.09.2021	01.01.2020 - 30.09.2020 <i>Modified*</i>
Sales revenues	968	957
<b>Gross profit (loss) on sales</b>	<b>29</b>	<b>19</b>
<i>Gross profit margin on sales</i>	<i>3,0%</i>	<i>2,0%</i>
SG&A	-48	-46
Other operating activity (balance)	4	5
<b>Operating profit (loss)</b>	<b>-15</b>	<b>-21</b>
<i>Operating profit margin</i>	<i>-1,5%</i>	<i>-2,2%</i>
Financial activity (balance)	-15	-20
<b>Gross profit (loss)</b>	<b>-30</b>	<b>-41</b>
<b>Net profit (loss)</b>	<b>-30</b>	<b>-36</b>
<i>Net profit margin</i>	<i>-3,1%</i>	<i>-3,8%</i>
<b>EBITDA</b>	<b>13</b>	<b>7</b>
<i>EBITDA margin</i>	<i>1,4%</i>	<i>0,7%</i>

*In the period from January to September 2021, Trakcja Group recorded revenues of 968 mPLN, which increased by 1.2% compared to the same period last year. The Group ended the three quarters of 2021 with a gross profit on sales of 28,6 mPLN, which is an increase by 9,4 mPLN compared to the period ended September 30, 2020. The gross profit margin on sales in the discussed period was 3.0% and was by 1.0 pp. higher than in the corresponding period of 2020.*

*The Group ended three quarters of 2021 with an operating loss in the amount of 14,7 mPLN, which is a reduction by 6,8 mEUR compared to the same period last year.*

*The Group ended three quarters of 2021 with a net loss of 30,4 mEUR, in the same period of the previous year the net loss was 36,4 mPLN. EBITDA at the end of three quarters of 2021 amounted to 13,4 mPLN, which means an increase by 6,6 mPLN compared to the period ended September 30, 2020. The EBITDA margin increased by 0.7 pp, reaching 1.4%.*

\* The restatement in 1-3Q 2020 relates to the reclassification of costs between costs of sale, marketing and distribution as well as general management and administrative costs on one hand and own cost of sales on the other hand.

## Consolidated Balance Sheet as of 30.09.2021 (mPLN)

ASSETS	30.09.2021	31.12.2020	EQUITY AND LIABILITIES	30.09.2021	31.12.2020
<b>Non-current assets</b>	<b>567</b>	<b>581</b>	<b>Equity</b>	<b>303</b>	<b>337</b>
Tangible non-current assets	274	285	<b>Long-term liabilities</b>	<b>382</b>	<b>341</b>
Intangible assets	53	52	Loans and borrowings	324	281
Goodwill	134	139	Bonds	28	28
Investment properties	27	27	Other	30	32
Other	80	79	<b>Short-term liabilities</b>	<b>770</b>	<b>800</b>
<b>Current assets</b>	<b>887</b>	<b>896</b>	Loans and borrowings	82	86
Inventory	113	113	Provisions	54	54
Trade and other receivables	420	420	Trade liabilities	391	437
Assets under contracts with customers	258	203	Liabilities under contracts with customers	213	201
Cash	67	136	Other	31	23
Other	29	24			
<b>Total Assets</b>	<b>1 454</b>	<b>1 478</b>	<b>Total Equity &amp; Liabilities</b>	<b>1 454</b>	<b>1 478</b>

As of September 30, 2021, the balance sheet total of the Trakcja Group amounted to 1 454 mPLN and decreased by 23,5 mPLN (i.e. by 1.6%) compared to the end of 2020.

Non-current assets as of September 30, 2021 amounted to 567 mPLN and decreased by 14,4 mPLN. Current assets as of September 30, 2021 amounted to 887 mPLN and decreased by 9,1 mPLN compared to the end of 2020.

At the end of the third quarter of 2021, the value of total equity decreased by 34,4 mPLN compared to the level on December 31, 2020 and reached the level of 303 mPLN. Long-term liabilities as of September 30, 2021 amounted to 382 mPLN, which means an increase by 10.2%. Short-term liabilities as of September 30, 2021 amounted to 770 mPLN and decreased by 30 mPLN compared to the end of the previous year.



## Stand-alone Profit & Loss for the 9 months of 2021 (mPLN)

	01.01.2021 - 30.09.2021	01.01.2020 - 30.09.2020 <i>Modified*</i>
Sales revenues	543	484
<b>Gross profit (loss) on sales</b>	<b>7</b>	<b>-3</b>
<i>Gross profit margin on sales</i>	<i>1,4%</i>	<i>-0,6%</i>
SG&A	-24	-23
Other operating activity (balance)	1	2
<b>Operating profit (loss)</b>	<b>-15</b>	<b>-23</b>
<i>Operating profit margin</i>	<i>-2,8%</i>	<i>-4,8%</i>
Financial activity (balance)	-12	-14
<b>Gross profit (loss)</b>	<b>-27</b>	<b>-37</b>
<b>Net profit (loss)</b>	<b>-28</b>	<b>-32</b>
<i>Net profit margin</i>	<i>-5,1%</i>	<i>-6,6%</i>
<b>EBITDA</b>	<b>0</b>	<b>-8</b>
<i>EBITDA margin</i>	<i>-0,1%</i>	<i>-1,7%</i>

*In the period from January to September 2021, Trakcja S.A. recorded revenues in the amount of 543 mPLN, which increased by 12.3% compared to the same period of the previous year. The gross profit margin on sales in the three quarters of 2021 was 1.4% and increased by 2.0 pp. compared to the three quarters of 2020.*

*For the period of 9 months of 2021, the Company generated an operating loss in the amount of 15 mPLN, with a 23 mPLN loss on operating activities for the period of 9 months of 2020.*

*Trakcja ended the three quarters of 2021 with a net loss of 28 mPLN, which decreased by 4 mPLN compared to the result achieved in the three quarters of 2020. EBITDA in 9 months of 2021 amounted to -0.4 mPLN, which means an increase by 8 mPLN compared to 9 months of 2020. The EBITDA margin increased by 1.6 pp, reaching -0.1%.*

\* The restatement in 1-3Q 2020 relates to the reclassification of costs between costs of sale, marketing and distribution as well as general management and administrative costs on one hand and own cost of sales on the other hand.

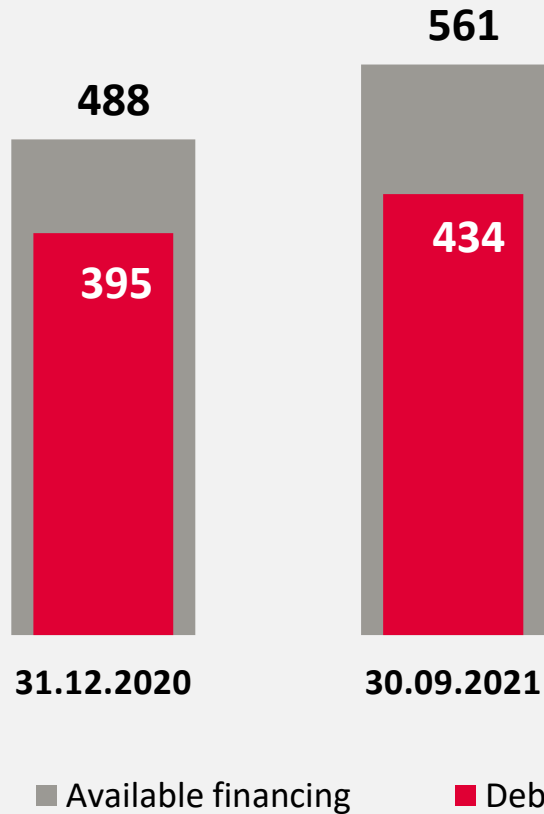
## Stand-alone Balance Sheet as of 30.09.2021 (mPLN)

ASSETS	30.09.2021	31.12.2020	EQUITY AND LIABILITIES	30.09.2021	31.12.2020
<b>Non-current assets</b>	<b>610</b>	<b>614</b>	<b>Equity</b>	<b>252</b>	<b>280</b>
Tangible non-current assets	147	159	<b>Long-term liabilities</b>	<b>364</b>	<b>294</b>
Intangible assets	51	51	Loans and borrowings	332	264
Investments in subsidiaries	307	307	Bonds	28	28
Investment properties	24	24	Other	3	3
Other	80	72	<b>Short-term liabilities</b>	<b>515</b>	<b>560</b>
<b>Current assets</b>	<b>520</b>	<b>521</b>	Loans and borrowings	70	95
Inventory	46	46	Provisions	44	42
Trade and other receivables	260	308	Trade and other liabilities	268	302
Assets under contracts with customers	183	137	Liabilities under contracts with customers	123	111
Cash	9	7	Other	9	11
Other	22	22			
<b>Total Assets</b>	<b>1 130</b>	<b>1 135</b>	<b>Total Equity &amp; Liabilities</b>	<b>1 130</b>	<b>1 135</b>

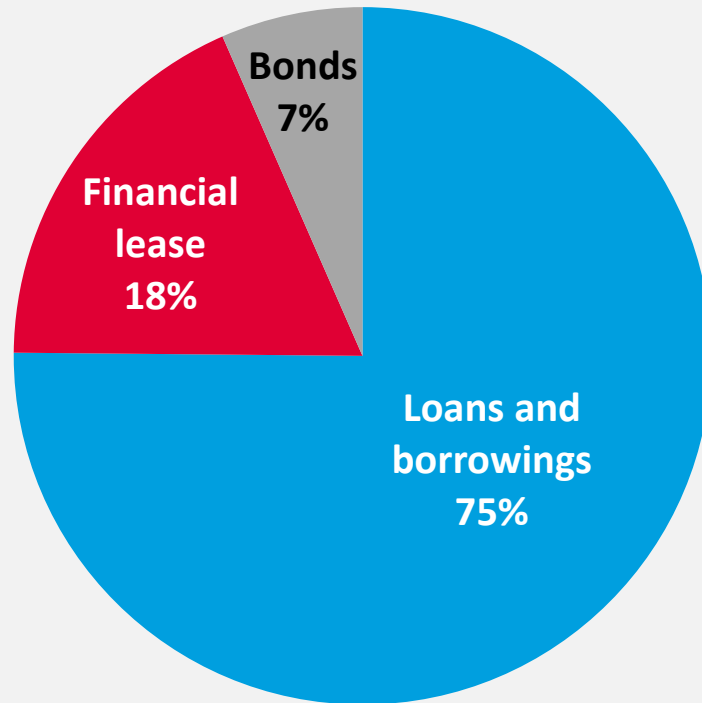
The balance sheet total as of September 30, 2021 was 1 130 mPLN and was lower by 5 mPLN than the balance sheet total at the end of 2020. The value of non-current assets as of September 30, 2021 was 609,7 mPLN and decreased by 0.7% compared to the value of non-current assets as of December 31, 2020. Current assets at the end of the third quarter of 2021 amounted to 520,4 mPLN, compared to 520,5 mPLN as of December 31, 2020.

The Company's equity as of September 30, 2021 reached the value of 252 mPLN and decreased by 27,8 mPLN, i.e. by 9.9% compared to December 31, 2020. Long-term liabilities as of September 30, 2021 amounted to 364 mPLN and increased by 69,3 mPLN, i.e. by 23.5% compared to December 31, 2020. Short-term liabilities reached the value of 515 mPLN and decreased by 45,9 mPLN, ie by 8.2% compared to the end of the previous year.

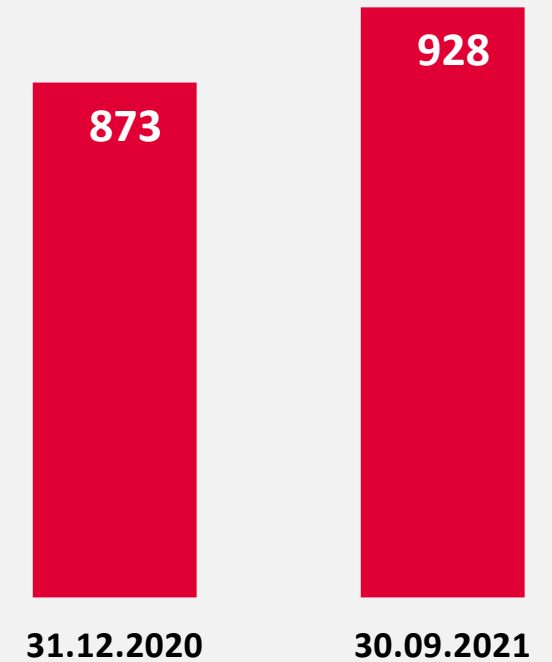
Available financing



Financing sources in Trakcja Group  
as of 30.09.2021



Use of guarantee lines

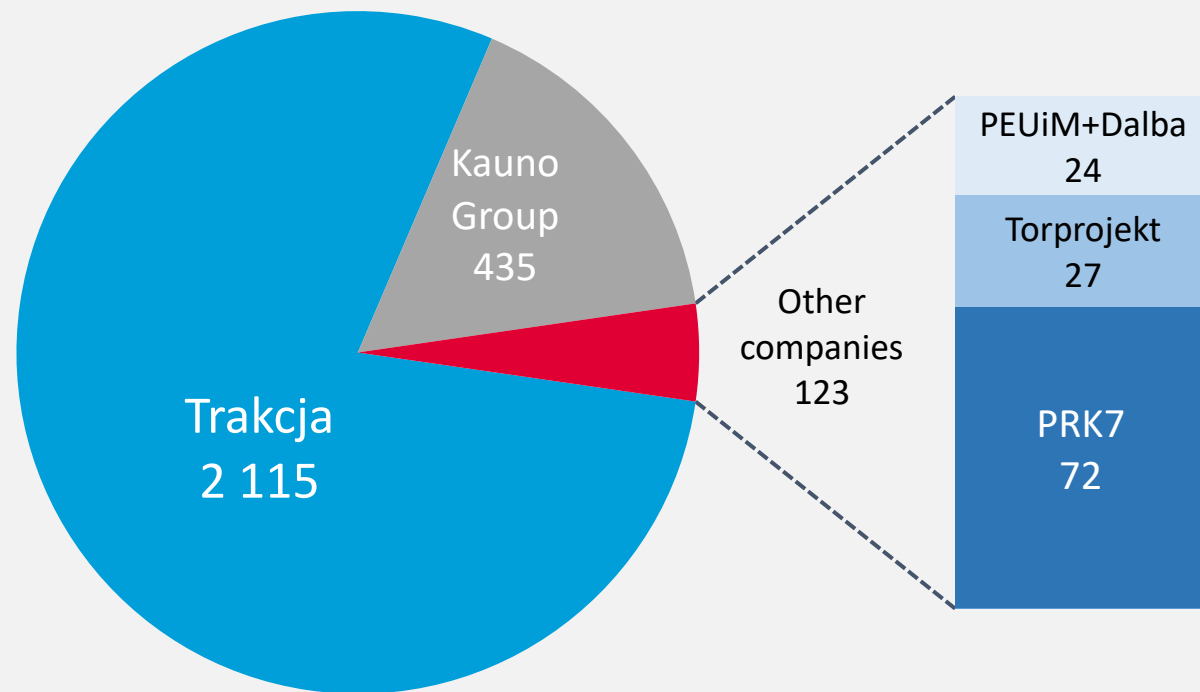




# PROJECTS

# ORDER BACKLOG

## Order backlog of Trakcja Group as of 30.09.2021

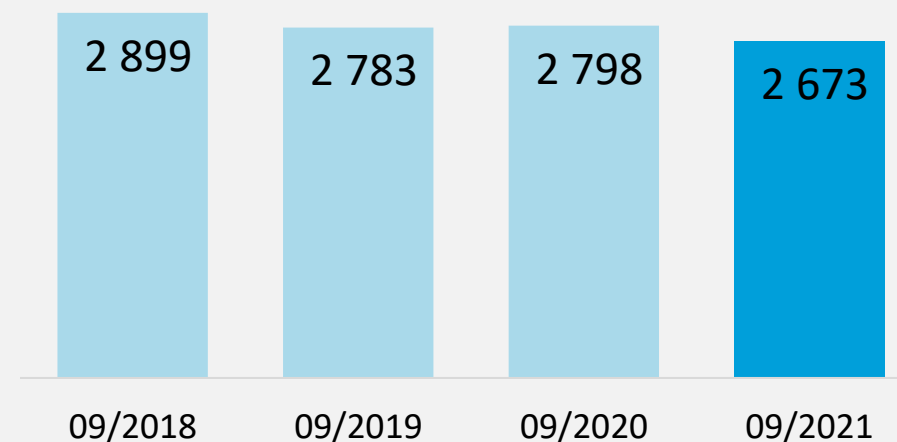


Trakcja Group Order Backlog  
as of 30.09.2021

**2 673** mln PLN

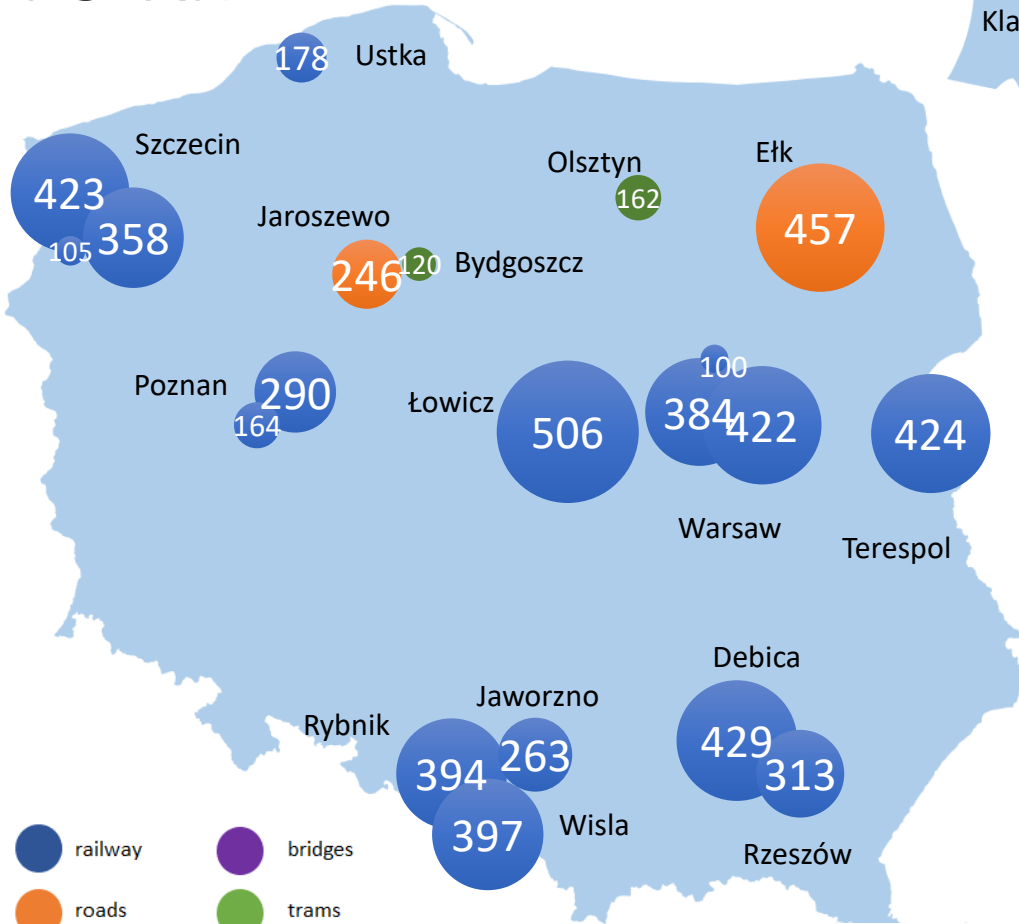
*excluding consortium partners*

Trakcja Group Order backlog at the end of 3Q in 2018-2021 (mln PLN)



# Key contracts executed in Trakcja Group as of 30.09.2021

## POLAND



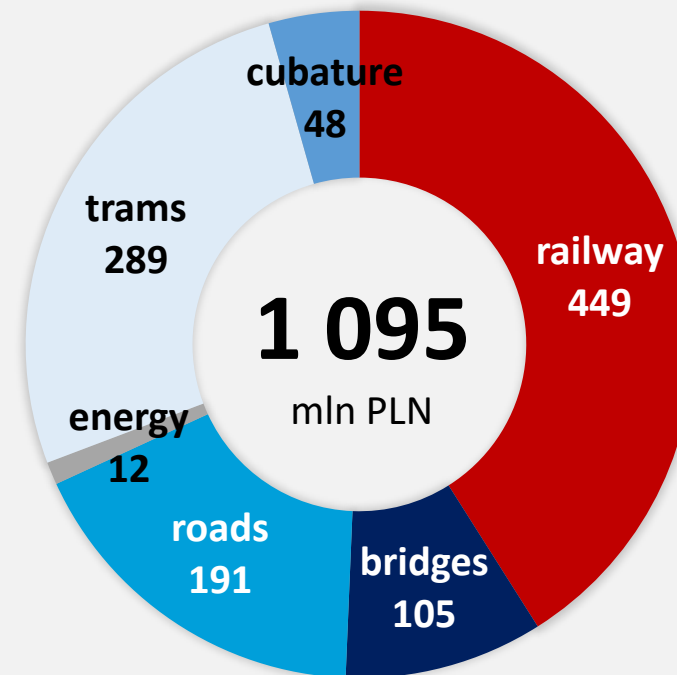
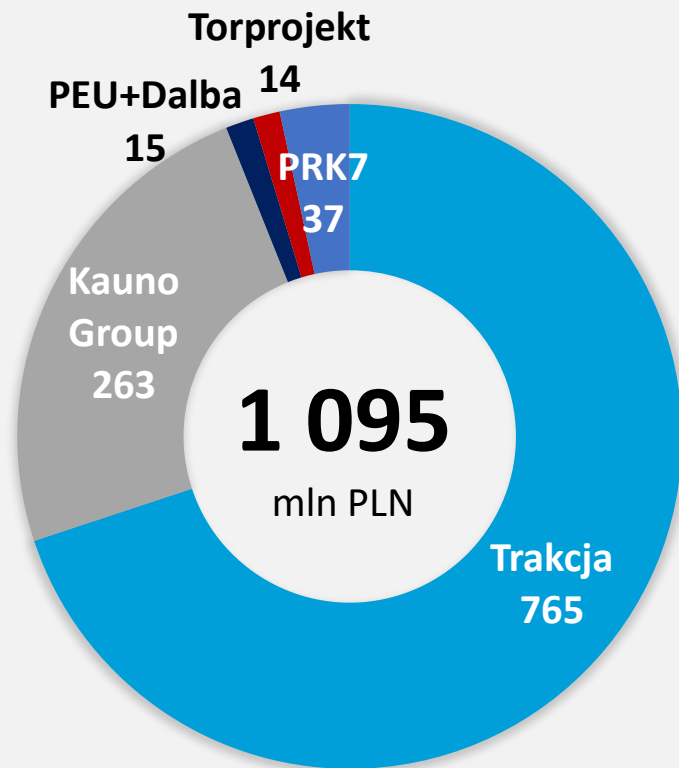
## SWEDEN



Number of contracts executed in Trakcja Group as of 30.09.2021

# 185

## Value of contracts signed in Trakcja Group in 1-3Q 2021 (mPLN)





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